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THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,
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THE TURN OF THE YEAR

The passing of 1924 marks another milestone on a slow, uphill road. Those great forces that distribute rain and sunshine took a hand this time, with telling effect. Production is larger than in 1923 though acreage was smaller. The farm value of the 1924 crops was approximately \$9,500,000,000 compared with \$8,727,000,000 the previous year and \$7,816,000,000 two years previous.

Nothing in the production situation has occurred since 1920 of such significance as this season's short corn crop. The really great surpluses overhanging agricultural markets are surpluses stored on the hoof - stored in the millions of beef cattle, and dairy stock. Beef cattle have had the lowest purchasing power this fall since pre-war times. The short corn crop will have its effect on the country's animal industries for two years and perhaps longer, a harsh but powerful reducer. It is already pressing sharply on hogs. For corn is to livestock what coal is to urban industry.

The largest cash gains of the year have gone to the Wheat Belt, where they were sorely needed. The Cotton Belt has again produced a 1½ billion dollar crop. Agriculture as a whole has come nearest to "balancing its budget" since 1920, that is, meeting the year's chief expenses out of current income. It has made some gains aside from those in immediate income since price ratios are not quite so sharply against it.

But how far 1924 has cleared up the basic situation is yet unknown. The cities are still enjoying a special brand of prosperity, originating in replacement of their own wartime shortages. The railroads and all their thousands of workers are also enjoying prosperity. Most farmers are still hanging on by the skin of their teeth, paying debts as they can. That part of agriculture's handicap which arises from the disparity between city and country may have been leveled out somewhat in the last year. Its more basic difficulty is that farmers are still burdened with debt and fixed charges which go with deflation and violent change in the price level.

So the turn of the year finds farming a little farther along as to adjustments within itself. As for those factors that tend to shape agriculture from without, three suggestions for public policy appear most often in the expression of farmers all over the country: 1. That the public services which tend to promote sound cooperative marketing should be vigorously strengthened; 2. That the farm burden of taxes needs serious consideration; 3. That freight rates can be reduced.

KEY REGIONS AT A GLANCE

THE EAST - Getting a taste of winter; ground frozen and snow enough for teaming purposes. Wood cutting, manure hauling, butchering and barn work are now the order of the day, with ice harvest beginning in the north. Dairy situation still difficult but with some favorable signs ahead. East has gone into winter in much the same condition as last year. Times not good, though they have been worse.

THE SOUTH - Cotton season wound up with better than 13 million bale crop. Work begun for spring crops. Grains, cane, and other fall planted crops made fair progress except for cold waves of latter December. South's cash income from 1924 products apparently not far from last year's. Said to mean a comfortable season for region as a whole.

CORN BELT - Corn husked, and the crop makes even oldtimers shake their heads in disappointment. Less than half matured and much of that is light and chaffy. About a quarter of the crop reported fit for seed, though that will presumably be ample. Corn situation forced record runs of hogs to market last month, curtails cattle feeding, and is operating as a general livestock reducer.

WHEAT BELT - Winter grain suffered some from recent cold waves without adequate snow cover. In good shape previously, however, and still furnishing considerable pasture in south. Wheat marketing restricted by bad weather and roads but growers considerably cheered by course of the market.

RANGE COUNTRY - Cattle suffered from recent blizzards which have swept the north. Range fair in the south and in sheltered valleys; feeding general elsewhere. Sheep in good condition; lambing begun in southernmost valleys. Active contracting of wool at prices well above last year.

PACIFIC COAST - General conditions good up to middle of December since when cold waves have somewhat retarded work and growth. Livestock doing well; lambing begun in California. Winter grain and truck crops made good progress. Citrus harvest on in the South.

CROP PRODUCTION

The following shows production of important crops in 1913, five-year average, last year, and estimates for this year. Compiled by Division of Crop and Livestock Estimates, B. A. E.

Figures given to nearest million, six ciphers omitted.

<u>Crop</u>	<u>1913 Production</u>	<u>1918-1922 Average</u>	<u>1923 Production</u>	<u>1924 Production</u>
Wheat, bu.				
Winter	523	625	572	590
Spring	240	256	213	283
All	763	881	786	873
Corn, bu.	2,447	2,899	3,046	2,437
Oats, bu.	1,122	1,303	1,300	1,542
Barley, bu.	178	186	198	188
Rye, bu.	41	78	63	63
Cotton, bales	14.1	10.9	10.1	13.153
Potatoes, bu.	332	391	412	455
Hay, tame, tons	64	86	89	98
Apples, bu.	145	167	197	179
Peaches, bu.	40	44	46	52
Flax, bu.	18	10	17	30
Tobacco, lbs	954	1,361	1,491	1,243

The figures under "1924 production" are the final crop estimates, made as of December 1.

Total acreage of principal crops this year was 355,210,400 acres, compared with 355,594,730 acres in 1923 and 353,835,250 acres in 1922.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending December 1, 1924.

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Livestock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available months.

	<u>Nov.</u> <u>1913</u>	<u>Nov.</u> <u>1923</u>	<u>Oct.</u> <u>1924</u>	<u>Nov.</u> <u>1924</u>
Cotton, per lb.	¢ 12.6	29.9	23.1	22.6
Corn, per bu.	¢ 69.9	78.3	108.9	99.6
Wheat, per bu.	¢ 78.4	93.7	129.7	133.6
Hay, per ton	\$ 11.97	12.75	12.64	12.91
Potatoes, per bu.	¢ 69.2	82.5	68.8	63.5
Oats, per bu.	¢ 38.6	40.8	48.9	47.4
Apples, per bu.	¢ 94.4	114.6	115.9	119.5
Beef cattle, per 100 lbs.	\$ 5.99	5.23	5.52	5.43
Hogs, per 100 lbs.	\$ 7.33	6.66	9.45	8.62
Eggs, per dozen	¢ 31.3	45.6	38.2	45.8
Butter, per lb.	¢ 28.7	44.3	38.8	39.3
Wool, per lb.	¢ 15.6	36.4	37.3	40.1
Veal calves, per 100 lbs.	\$ 7.70	7.85	8.22	7.89
Lambs, per 100 lbs.	\$ 5.64	10.01	10.35	10.55

The major price changes during November were increases in wheat and wool and declines in corn, hogs, and potatoes. Marketing of hogs was heavy with a temporary effect on prices. Eggs continued their seasonal advance and butter also showed a seasonal strength.

The price situation is encouraging to producers of sheep, cotton, wheat, and corn. It is discouraging to producers of potatoes and beef cattle.

PRICE INDEXES FOR MONTH ENDING DECEMBER 1, 1924.

1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (latter shown to nearest whole number). Shows year ago, and latest available months:

Farm Products

(Prices at the farm)

	Nov. <u>1923</u>	Oct. <u>1924</u>	Nov. <u>1924</u>	Month <u>Trend</u>
Cotton	241	186	182	Lower
Corn	132	184	168	Lower
Wheat	119	166	171	Higher
Hay	116	115	117	Higher
Potatoes	128	107	99	Lower
Beef cattle	89	94	92	Lower
Hogs	89	126	115	Lower
Eggs	236	198	237	Higher
Butter	164	144	146	Higher
Wool	218	223	240	Higher

Commodity Groups

(Wholesale Prices)

	Nov. <u>1923</u>	Oct. <u>1924</u>	Nov. <u>1924</u>	Month <u>Trend</u>
Farm products	146	149	149	Unchanged
Food, etc.	148	152	154	Higher
Cloths & clothing	201	188	190	Higher
Fuel & lighting	167	162	163	Higher
Metal & met. products	141	127	129	Higher
Bldg. materials	181	171	172	Higher
Chemicals, etc.	130	132	134	Higher
House-furnishing goods	176	171	172	Higher
<u>ALL COMMODITIES</u>	152	152	153	<u>HIGHER</u>

RELATIVE PURCHASING POWER

(At November 1924 Farm Prices)

1913 = 100

Of a Unit of:

<u>In terms of</u>	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	119	110	112	77	65
Cloths, etc.	96	88	90	62	52
Fuel, etc.	112	103	105	72	61
Metals, etc.	141	135	133	91	77
Bldg. Materials	106	98	99	68	58
House-furnishing goods	106	98	99	68	58

	<u>Beef Cattle</u>	<u>Swine</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	60	75	155	95	157
Cloths, etc.	48	61	125	77	126
Fuel, etc.	56	71	145	90	147
Metals, etc.	71	89	184	113	186
Bldg. materials	53	67	138	85	140
House-Furnishing goods	53	67	138	85	140

The gains in indicated purchasing power of farm products that had been made during October were mostly lost in November. Wheat and wool did, however, move into slightly better position. Animals and their products, except wool, stood at marked disadvantage in the general commodity markets. If they follow their previous cycles, it is to be expected that hogs and beef cattle will have a higher indicated purchasing power next fall.

The general index of purchasing power of farm products (based upon this Bureau's new index of farm product prices) fell from 90 in October to 89 in November. This was the result of drop in farm products and some rise in non-agricultural commodities.

COLD STORAGE SITUATION

December 1 holdings (Shows nearest million, six figures omitted:)

<u>Commodity</u>	<u>5-Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>Dec. 1, 1924.</u>
Creamery butter, lbs.	64	51	135	101
American cheese, lbs.	46	55	68	59
Case eggs, cases	3	4	5	3
Total poultry, lbs.	57	63	55	88
Total beef, lbs.	128	93	67	100
Total pork, lbs.	459	577	408	427
Lard, lbs.	39	35	32	35
Lamb & Mutton, lbs.	15.8	2	3.1	3.4
Total meats, lbs.	667	739	536	598

During November, the country continued to draw upon its stored supplies of butter and eggs. Considerable dressed poultry, beef and pork went into storage, the latter somewhat heavier than the average movement at this season.

Compared with the average situation this date, stocks are low in case of beef, pork, lard and lamb; average in case of eggs; high in case of butter, cheese and poultry.

GENERAL TREND OF WAGES AND PRICES

1913 = 100

<u>Year and Month</u>	<u>General Wage Level</u>	<u>Farm Wages</u>	<u>Retail Price of Food</u>	<u>Wholesale Price of Food</u>	<u>Wholesale Price All Commodities</u>
	N.Y. factory workers (1914=100)	(Monthly without board)	Dept. of Labor	Dept. of Labor	Dept. of Labor
1913	---	100	100	100	100
1914	100	99	102	102	98
1915	103	99	101	105	101
1916	116	108	114	121	127
1917	131	133	146	167	177
1918	188	161	168	188	194
1919	188	186	186	207	206
1920	226	214	203	220	226
1921	206	143	153	144	147
1922	201	138	142	138	149
1923	218	155	146	144	154

1923

January	210	133	144	141	156
February	207	---	142	141	157
March	216	---	142	143	159
April	216	147	143	144	159
May	221	---	143	144	156
June	223	---	144	142	153
July	221	159	147	141	151
August	217	---	146	142	150
September	220	---	149	147	154
October	222	161	150	148	153
November	221	---	151	148	152
December	224	---	150	147	151

1924

January	223	151	149	143	151
February	222	---	147	143	152
March	226	153	144	141	150
April	222	157	141	137	148
May	217	---	141	137	147
June	218	---	142	136	145
July	217	159	143	139	147
August	220	---	144	144	150
September	225	---	147	148	149
October	221	160	149	152	152
November	222	---	150	154	153

GENERAL TREND OF PRICES
1913 = 100

Year and month	Farm Price Crops 15th of month	Farm Price Livestock 15th of month	Farm Price of 30 Farm Products**	Wholesale price of Non-Agrl. Commodities*	Purchasing Power of Farm Products#
1913	100	100	100	100	100
1914	108	103	102	94	109
1915	110	95	100	97	103
1916	124	111	117	132	89
1917	208	164	176	176	100
1918	224	192	200	186	108
1919	234	198	209	195	107
1920	238	168	205	234	88
1921	109	107	116	161	72
1922	113	111	124	163	76
1923	136	103	135	167	81

1923

January	126	106	134	170	79
February	130	107	136	172	79
March	134	106	136	175	78
April	139	107	137	176	78
May	140	105	135	172	79
June	139	100	133	168	79
July	136	102	130	165	79
August	136	102	128	163	79
September	138	109	132	164	81
October	139	103	134	161	83
November	137	97	136	160	85
December	137	94	137	158	87

1924

January	140	97	137	160	86
February	141	98	136	162	84
March	138	100	131	161	81
April	140	102	130	159	82
May	139	103	129	157	82
June	142	102	130	155	84
July	155	101	132	154	86
August	163	114	139	154	90
September	154	113	132	153	87
October	157	120	138	153	90
November	151	113	137	154	89

* Department of Labor "All Commodities", excluding farm products and food.

Farm product index divided by index of non-agricultural commodities, revised on basis of new farm price index.

**This is the new price index worked out by this Bureau.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,903	41,040	19,764	24,168	472,011
1922 "	413,106	378,598	44,067	23,218	22,364	530,601
1923 "	386,430	271,858	55,330	23,211	22,025	549,207
1923 Jan.	38,002	37,526	5,306	1,876	1,636	40,613
" Feb.	21,533	31,901	4,492	1,427	1,366	33,839
" Mar.	22,081	24,710	4,928	1,502	1,430	41,575
" Apr.	21,785	16,836	4,318	1,670	1,447	40,825
" May	17,457	10,809	4,524	1,900	1,794	54,617
" June	18,217	14,610	4,204	1,629	1,426	76,403
" July	36,435	18,515	4,181	1,903	1,661	64,086
" Aug.	63,012	20,845	3,714	2,214	1,800	47,831
" Sept	44,196	18,355	3,607	2,295	2,659	41,907
" Oct.	38,380	16,541	4,816	2,802	3,465	38,558
" Nov.	36,576	23,280	5,416	2,182	1,816	33,774
" Dec.	28,756	37,930	5,825	1,810	1,526	35,179
1924 Jan.	15,548	30,594	6,253	1,888	1,697	37,689
" Feb.	20,165	44,689	5,335	1,457	1,412	40,474
" Mar.	17,434	29,405	4,833	1,556	1,367	44,371
" Apr.	10,374	17,926	4,374	1,751	1,348	43,670
" May	16,039	15,988	4,321	1,890	1,344	57,462
" June	16,877	17,392	4,296	1,673	1,550	77,891
" July	39,911	18,453	4,091	1,798	1,672	78,089
" Aug.	88,461	18,841	3,196	1,934	2,005	57,624
" Sept.	81,183	22,084	3,216	2,566	3,027	47,760
" Oct.	84,858	18,877	3,990	2,737	3,295	42,220
" Nov.	58,081	15,231	4,904	2,363	1,879	30,417

Market movement of wheat showed up in November from previous month but continued well above last year. Small corn movement reflecting the poor crop.

Hog movement reflects the corn shortage but keeping above last year. Cattle movement indicates continued liquidation. Butter somewhat below last year.

THE TREND OF EXPORT MOVEMENT

Compiled from Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT including flour	TOBACCO (Leaf)	BACON HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1923 January	12,519	41,309	74,432	107,786	86,938	474
" February	12,197	24,380	64,488	89,056	75,023	360
" March	10,725	31,688	66,441	109,187	75,933	318
" April	10,195	40,141	68,528	85,475	77,963	260
" May	14,396	28,421	64,608	93,199	72,606	160
" June	12,881	49,730	59,473	64,605	68,799	215
" July	12,822	44,105	64,264	69,479	74,127	172
" August	19,929	33,480	69,194	83,758	80,112	244
" September	22,465	37,646	76,911	83,630	88,833	689
" October	18,652	44,948	72,341	76,378	83,183	774
" November	12,147	49,381	71,947	74,251	85,069	767
" December	12,991	49,270	76,263	98,578	89,890	846
(1923 First 11 mos.)	158,928	425,229	752,627	936,804	868,586	4,433
1924 January	12,143	47,579	79,057	132,758	90,430	547
" February	10,019	39,183	81,108	99,910	90,462	482
" March	9,374	61,172	66,695	100,726	74,464	332
" April	8,418	59,219	57,546	73,307	64,474	321
" May	7,206	39,661	45,584	62,648	51,427	326
" June	10,257	52,614	44,145	59,475	49,807	231
" July	7,601	32,520	53,769	86,788	60,406	212
" August	21,106	33,410	52,367	75,937	60,180	278
" September	39,244	37,245	43,117	65,810	50,088	737
" October	53,538	56,227	45,365	60,813	52,820	947
" November	35,102	44,229	35,430	49,120	42,395	1,307
(1924 eleven months)	214,008	503,059	604,193	867,292	686,953	5,720

The export figures continue to reveal that we are selling more cotton and much more wheat but only about half as much pork abroad as we did last year.

* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; mutton and lamb.

Includeslinters.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1923 Nov.	1924 Oct.	1924 Nov.	Month's Trend
PRODUCTION				
Pig iron daily (Thou. tons)	96	80	84	Increase
Bituminous coal (Millions tons)	43	47	41	Decrease
Automobiles shipped (Thou. carloads)	38	33	29	Decrease
CONSUMPTION				
Cotton by mills (Thou. bales)	533	533	492	Decrease
Unfilled orders Steel Corp. (Thou. T.)	4,369	3,525	4,032	Increase
Building contracts (Millions dollars)	289	345	341	Decrease
Hogs slaughtered (Thousands)	3,657	2,525	3,132	Increase
Cattle "	1,106	1,432	1,267	Decrease
Sheep "	777	1,020	775	Decrease
MOVEMENTS				
Bank clearings (N.Y.) (Billions dollars)	18	22	22	Same
Car loadings (Thousands)	4,054	4,380	4,094	Decrease
Mail order sales (Millions dollars)	35	41	40	Decrease
Men employed, N. Y. State Factories (Thou.)	548	495	495	Same
Av. price 25 indus. stocks (Dollars)	105	117	124	Increase
Interest rate (60-90 day Paper)	5.09	3.13	3.25	Increase
Retail Food Price Index (Dept. Labor)	151	149	150	Higher
Wholesale Price Index (Dept. Labor)	152	152	153	Higher

The stock market staged a tremendous boom during December (which is still on as this is written.) Interest rates, while still low, have apparently passed the lowest point and are inclined to rise. Gold has begun to flow out of the country in appreciable quantity. The price level is inclined to rise somewhat. The steel industry is swinging back into marked activity. Most signs appear to favor business improvement rather than otherwise. However, there are observers who label the recent stock market rampant speculation; who hold that the building boom and much other industrial activity have also passed largely into the plane of speculation, and that the whole industrial structure of values is riding for a fall. Time will tell.

This continued city prosperity makes a relatively high market for the farmer to buy in, but it also makes a good market to sell some products in. Cotton and wool prices, especially, reflect the latter case.

THE SITUATION IN VARIOUS KEY STATES

(From Reports of State Statisticians of this Bureau)

IOWA - Farmers of Iowa have entered the winter with a more analytical and perhaps critical trend of thought than for some time. The policy of equality for agriculture will be the topic for debate and careful analysis in practically every farm organization. A closer coordination between various groups is also being brought about in devising some system for the protection and stabilization of rural civilization. Livestock producers and grain growers are joining hands in cooperative study of both economic production and market outlet.

The poultry embargo on the western Corn Belt States is one of the most serious situations confronting us just now. Although eastern markets are barring out western poultry, it is quite evident that the embargo will be only temporary and of short duration. State and Federal pathologists have not recognized any infectious diseases in the farm flocks and have localized but a few cases of disease and insanitation in the large poultry concentration plants. The embargo has already produced a disturbance among poultry producers. Should storage supplies be reduced and the so-called mysterious poultry disease not be recognized by the poultry sanitary authorities it is evident that the restrictions will not produce a permanent ill effect.

Sheep feeders have had optimistic expectations of the general financial situation covering the sheep industry and more small feeders are operating this fall than for several years. Division of double deck loads between neighbors has been quite common. Out of these loads it is expected that many good ewes will be held back on the farms for building up a little larger flock. A substantial increase in the sheep industry is expected. The grain fed lambs in the small feeders' hands are now going to market quite rapidly. Only the larger or specialized feeders of Iowa are equipped to properly protect lambs from the severe sleet and snow storms.

Cattle feeding has shown a 20 per cent decline from last year in December. Low feeding value of this year's corn crop, with the high price of corn for local purchases, presents a hazardous situation which the feeder must weigh with more than usual judgment.

Sufficient moisture has fallen over the entire State during the past 10 days to be very beneficial to the fall seeded crops and the pastures. Heavy snows in the northern and general rains in the southern sections improved the prospects for the fall seeded wheat and rye to winter well.

Corn husking now is practically of historic consideration, although the snows and sleet caught a few fields in every district and will remain unfinished until a few warm days relieve the field conditions.

On December 5th a serious sleet, snow and wind storm passed from southwestern to northwestern Iowa, doing from 5 to 25 per cent damage to fruit trees. The most serious damage was in southwestern Iow. -- Leslie M. Carl.

COLORADO - The winter wheat crop has suffered in some districts, especially in the southeast, from lack of sufficient moisture to produce good germination and growth. Recent general snows, however, are providing the much needed moisture, insuring a fairly promising outlook for the winter wheat

crop for the State as a whole. This season's crop was considerably larger than a year ago with the bulk of it already marketed. Prices have generally been good.

The harvesting of the corn crop is nearly completed. Considerable frost damage occurred and much soft corn is reported. Much stunted corn was caused by the dry summer. With an average larger than a year ago the crop is only about 40 per cent of last year's crop. The low yield is naturally resulting in a higher price.

Potatoes show a smaller crop than a year ago but are generally of good quality. Marketing is about average with much complaint of unsatisfactory prices.

Peaches and pears were both unusually good as to yield and quality with prices fair. Cherries were a small crop. The apple production is about the same as a year ago. A larger per cent of the crop has been marketed with prices rather unfavorable to the grower.

The onion crop is larger than last year with prices fair. The cabbage crop is slightly smaller but bringing better money. The lettuce crop was only about three-fourths as large as last year but prices were unusually good. Cantaloupe growers report a smaller crop but the best in years for quality and the market better than usual. Sugar beets, being an irrigated crop made a good yield, and showed some profit this year.

Livestock are generally in good condition. Considerable cattle have been sold partly because of forced liquidation and also because of feed shortage. The supply of feed and hay is about equal to the usual requirements but is largely on irrigated farms. Dry land farmers are short of hay supplies and are often financially unable to buy and therefore are wintering less stock. Hay is of excellent quality, with the supply and price about the same as a year ago. The mild winter to date has tended to conserve the feed supply. More sheep are being fed in the feed lots than a year ago but a slightly smaller number of cattle.

The winter to date has been mild and favorable to all classes of livestock. Recent general snows have improved moisture conditions for winter wheat and rye. But the outlook for moisture is not promising as snow in the mountains is below normal and reservoirs are practically empty. Prospects for refilling are not encouraging.

Due to the extremely dry season, the bean crop is about 25 per cent less than last year even though the acreage planted was 70 per cent greater. Prices for the crop are averaging a little better than a year ago and the smaller production will apparently bring about as much money. The distribution of the crop was not uniform with the acreage. Many have practically no beans to show for their acreage.

The farm labor supply has generally been equal to the demand with some complaint from farmers of wages being too high.

Financial conditions for farmers under irrigation are easier and for those who obtained a good crop account of opportune showers or rains. For a considerable per cent of farmers, however, conditions have not improved as their crops were not good enough to cover expenses and liquidate any indebtedness. Foreclosures are still being made. There is very little buying, building or increasing of livestock holdings, except sheep. There is more hopefulness in holding on than last year, due to advance of prices.

The sheep business has made money in all lines, and there is a sharp demand for sheep from those wishing to get into the business, and prices for breeding stock have advanced \$2.00 to \$4.00 per head since August. Cattle are unsatisfactorily low and many are selling close. -- W. W. Putman.

TEXAS - The first storm of the winter visited the State shortly after the middle of the month, snow, sleet or rain falling in practically every section. Cattle in poor condition suffered severely, but the fall-sown grains were greatly benefited by the belated moisture. Lack of rainfall had made it almost impossible to do much plowing without tractors, the small grains were feeling the effects of the dry spell and the sowing of additional acreage was being delayed waiting for rain. Only a small percentage of the cotton crop, practically all in the west and northwest, remains to be gathered. The production this season was 10 per cent above last year's, but the farm price averaged but 74 per cent of the 1923 price, making the Texas cotton crop worth easily \$100,000,000 less than the smaller crop of a year ago.

As a result of the high price of wheat, the acreage has been increased this fall, but the condition is not on a par with the average. Exports for the season from Texas ports are five times as great as last year. The winter oats acreage is less than a year ago. Truck crops in the Rio Grande Valley show a large increase in acreage, and citrus fruit is expected to produce 400 cars against 234 last season. Shipments of strawberries had made a good beginning until checked by the low temperatures. Producers of milk are faced by the high feed prices. While the returns on turkeys sold for the Thanksgiving period were very disappointing, the market responded later and better prices prevailed. Supplies of swine are very low at present, and cattle are in a relatively poor condition for a severe winter. However, sheep and goat raisers are in a strong position with prospects good for a prosperous season. There is little demand for farm labor except where new land is being prepared, or where cotton picking continues. The foot-and-mouth outbreak is now a matter of history.

Increased bank deposits have reduced loans of member banks with the Federal Reserve Bank to the lowest point in six years. The Texas textile mills report an improvement in the outlook, while wholesale and retail buying has been stimulated by the belated low temperatures. Farm machinery sales, of tractors particularly, have been good; for the year, they have been the best since 1920 and an additional increase is expected next year. The lumber trade is the best of the year, reaching a climax this month. More lumber has been imported during the year from the Pacific Coast than in the history of the industry. Crockery and glassware sales show a marked increase over any month of the year, a long-awaited demand now being realized. -- H. H. Schutz.

NEBRASKA - The present agricultural situation in Nebraska is extra good, and the immediate future appears very bright. In fact, it may be said that the agricultural situation is near normal here.

The total value of crops, except a few of minor importance, is \$361,000,000 against \$279,000,000 last year and \$162,000,000 in 1921, the year of lowest values since the financial depression. The present value of crops is two and one-fourth times that of the low point in 1921, and has been exceeded twice only. Nebraska's gain in value of crops over last year was nearly three and one-half times that of the gain for the entire country.

Corn leads other crops as usual with a value of \$184,985,000 against \$144,188,000 last year. Wheat follows with a value of \$69,680,000

as compared to \$26,052,000 last year. Tame hay is valued at \$35,683,000 against \$39,005,000 a year ago.

While the value of crops is higher, the production is less than last year. All grain totals 345,000,000 bushels against 396,000,000 bushels last year. All hay 5,890,000 tons against 6,350,000 tons last year. The total area of cultivated crops is slightly less this year.

The area seeded to winter wheat this autumn is practically the normal acreage for Nebraska. The condition of the crop is very poor in the eastern third of the State and exceptionally good in the western two-thirds of the State.

Livestock feeding has been reduced considerably this winter although the number of sheep on feed is 13 per cent above last year. There are 15 per cent less cattle on feed and a marked decrease in hogs. Furthermore, there has been a marked tendency to market light hogs and unfinished cattle. This is due largely to the high price of corn. Farmers prefer to take a good price for corn, than to take chances on feeding heavily. -- A. E. Anderson.

ILLINOIS - The continued upward swing in grain prices has been the most encouraging feature of the past month. Livestock prices have not maintained their relative position to the mounting price of corn. This combined with a shortage of corn in some localities has had a conservative influence on this season's feeding operations, especially for cattle and hogs. There is much good corn in central and southern Illinois and to the majority of farmers, the option of marketing this part of their crop direct looks more attractive than marketing the usual proportion through the feed lot. The bargain price of feeder cattle at terminal markets this season, combined with the fact that farm supplies of hay and roughage were large, also that there was considerable off grade corn that could best be utilized as farm feed, has resulted in fairly liberal purchases of feeder cattle and large purchases of feeder sheep. For cattle, there will be much short fed or unfinished stock returned to market. Total cattle numbers on farms are holding up well, but there are 15 per cent less cattle on feed than a year ago. Sheep numbers on farms show some increase over last year with a noticeable increase in breeding ewes. Farm sheep feeding is nearly as large as last year, but very light at commercial sheep feeding stations. Hog numbers heavily decreased from a year ago with continued liberal marketing receipts further reducing numbers. Fall pig crop considerably less than last year. Livestock condition reports are mostly favorable. Prices for all classes of livestock have been maintained or slightly improved compared with a month ago. Wool, butter and egg prices improved with poultry prices lower than a month ago.

Farm work in general is well advanced and farm activities have settled down to the winter routine. Farm labor and credit conditions satisfactory. Dealers report Christmas business only fair.

Corn husking is well advanced with 88 per cent completed to December 15. Under favorable fall weather, marketing quality has improved and market movement is on the increase. Winter wheat entered the winter season in about an average condition though serious concern is now general in central Illinois over the present ice coating on fields resulting from the recent severe sleet storm, but the extent of damage can not be determined until later. Farm supplies of wheat are moderate. Oats and hay larger, clover seed short. Wheat and oats marketing light, hay sales about average. -- A. J. Surratt.

THE DAIRY SITUATION

Division of Dairy and Poultry Products, B. A. E.

The year closes with butter markets again unsettled and irregular. The sharp advance in prices which continued throughout November came to a sudden halt about the first of December, and although declines dropped prices only some 4 or 5 cents below the last of November peak, the markets since then have been nervous, unsettled and at times weak. The acute shortage of fancy top grades seems to have passed and the supply of all grades appears more plentiful. Receipts at wholesale centers are some indication of this change. On the four principal markets, for example, receipts were still considerably lighter than last year, but there was a marked increase over November arrivals. These increased supplies coupled with the general lack of confidence served to check the movement of butter from storage, which late in November was particularly heavy. December 1 holdings at 100,743,000 lbs. were 95 per cent greater than last year, despite a 40 per cent heavier reduction during November. These excessive stocks continue as an important influence, and are still of grave concern to butter interests. No new butter export or import developments of any consequence from a statistical standpoint have occurred. The relation of domestic and foreign prices is not favorable for shipments in either direction.

This is the usual quiet season of the year in cheese markets. Buyers are not looking for any unusual quantities, and no particularly active demand is expected until after the holidays and after the taking of inventories is a thing of the past. In distributing markets, held cheese has moved fairly well, and the tone has remained firm despite slight advances in price. Stocks in storage December 1 were only about six and a half million pounds heavier than a year ago, backed up by a very much heavier movement in November than in 1923, so that on the whole, cheese markets are in fairly good shape.

Likewise, condensed and evaporated milk markets have worked into a relatively strong position, probably the most favorable of all dairy products at this time. Manufacturers' stocks December 1 were 17 per cent below those of last year and 4 per cent below the December 1 five-year average, a significant condition when it is recognized that on July 1 stocks were at record high levels. Condenseries have been able to do what butter interests could not do, namely, to control production to some extent by diverting milk into other products. In fact, considerable condensery milk at times during the past year has been made into butter. There have been periods also when condenseries have been favored by temporary outlets in fluid milk markets. The principal demand for canned milk still continues to be domestic trade.

THE DAIRY SITUATION

(Thousands pounds, 000 omitted)

Stocks on hand - December 1.

	Cold storage.		In Manufacturers' Hands		
Year	Butter	Cheese	Cond. & Evap.	Milk	Milk Powder.
1924	100,743	77,511	158,276		8,934
1923	51,508	72,623	190,406		7,334
Increase	49,235	4,898	- 32,130		1,600+
	+ 95.5%	+ 6.7%	- 16.87%		+ 21.81%
<hr/>					
5 year aver.	+ 58.4%	+ 26.9%	- 4.09 %		
Receipts January 1 to November 30					

Year.	Butter 4 Markets.	American Cheese Wisconsin Markets.	Month of November Butter (4 markets)	
1924	533,659	258,445	28,713	
1923	490,459	243,171	32,118	
Increase	43,200	15,274	Decrease	3,405
	+8.8%	+6.2%		-10.6%

Net Imports or Exports - November.

Year	Butter	Cheese	Cond., Evap. and Powdered milk.
1924	473 Ex.	5,550 Im.	14,230 Ex.
1923	3,348 Im.	7,581 Im.	22,215 Ex.
Change for 11 months.	-4,411 Im.	-3,065 Im.	+37,199 Ex.

B U T T E R S U M M A R Y

	1924.	1923.	1924 Inc.	% Inc.
In storage Jan 1.	30,299	26,941	+ 3,358	12.5
Production 11 months.				
farm & factory. - - -	1,843,491	1,746,347	+ 97,144	+ 5.6
Net imports.	10,869	15,280	+ 4,411	-28.9
TOTAL- - - - -	1,884,659	1,788,568	+ 96,091	+ 5.4
In storage Dec. 1. - - -	100,743	51,508	+ 49,235	+ 95.5
Apparent consumption,				
for 11 months - - - -	1,783,916	1,737,060	+46,856	+ 2.7
Av.consumption per mo.	162,174	157,914	+ 4,260	+ 2.7
Appar. con., Nov. 1924 - -	138,444	141,285	- 2,841	- 2.0

THE DAIRY SITUATION DURING 1924

As we look back over 1924, we find a year full of unusual developments. To suggest that conditions have been discouraging perhaps implies the general feeling prevalent among those in the industry who have been most vitally concerned, although it must be admitted that here and there have been happenings which were not without encouraging features.

To begin with, the year opened with markets on all dairy products generally unsettled and sensitive to every possible influence. The uncertainty of future trends, the import and export outlook, and the apparently heavy accumulations of certain manufactured dairy products, were all factors contributing to the uneasy feeling which persisted in the minds of many. Butter interests were not particularly concerned regarding the storage surplus of January 1 of a few million pounds over last year, but they were worried over the continued imports of butter which at that time were close to four million pounds per month. The condensed milk trade experienced a revival of some export business early in the year, but on the other hand faced a heavy accumulation of stocks which had continued to pile up for six months or more.

Along in April, seasonal increases in production began to occur and prices began to react under this influence. Natural conditions were favorable, if not almost ideal, and heavy increases in butter, with moderate increases in other products occurred. Butter markets began to assume a particularly gloomy cast late in the summer when it became apparent that heavy production was carrying over into July and that the into-storage movement was showing no material let up. Prices broke further, going below the level at which the heavy June ingoing movement had taken place, remaining at this point until the first of November. In the meantime, a surplus of 54,000,000 lbs. over the 1923 storage holdings had accumulated. A heavy surplus still remains as a cause of concern to butter interests. The butter situation, however, has not been entirely without support as is evidenced by the fact that since July we have been on an export basis. Approximately two and a half million pounds of butter were exported during October alone, although before the close of the year all possibility of exports seemed removed, and there was talk again of butter being imported.

Conditions in condensed milk markets have probably shown as great an improvement since the first of the year as any of the manufactured dairy products. Quite a satisfactory reduction of stocks occurred the latter half of the year, through the control of production and the pushing of sales. Cheese markets in a general way have been steady when compared with these other products. Production ran heavier than 1923, but the increase was not nearly that of butter. While cheese markets at times lacked strength, no outstanding weakness of long duration occurred. Imports of cheese continue heavy, but are almost entirely foreign types.

Price trends during the early part of the year followed in a general way the usual trend, but during the latter half, prices were held down under various influences and averaged much lower than 1923.

Summing up briefly some of the principal features of the whole 1924 situation, milk production seems to have increased over 1923; butter imports ceased; storage stocks of butter reached enormous proportions but at the close of the year were being rapidly reduced; the condensed milk outlook has improved; and consumption of all dairy products has increased. Factors of greatest interest now are developments in the foreign situation, feed and other costs which influence production, and the reaction of consumptive demand to price changes and changes in conditions which influence the purchasing power of consumers. (Division of Dairy and Poultry Products, B. A. E.)

THE POULTRY AND EGG SITUATION

Division of Dairy and Poultry Products, B. A. E.

The rapid accumulation of stocks of dressed poultry in cold storage continued throughout November, with the result that the stocks of this commodity in the warehouses of the United States reached a figure considerably in excess of the highest previous December 1 mark of 71,238,000 pounds which occurred in 1918. Judging from the movement in the four markets, this rapid accumulation is continuing during December and indicates that the previous record peak holdings of 121,632,000 pounds on February 1, 1923, may be passed early in 1925. In spite of this increase and of a decrease in apparent trade output, the price of all classes of dressed poultry has held relatively steady and, for the most part, at a level equal to or above that prevailing during the same period last year.

Throughout the fall considerable trouble has been experienced at feeding stations and by receivers of live poultry at some of the markets on account of disease, which at times caused severe losses. It was not until about the middle of December when embargoes were placed by a number of States and principal markets against live chickens from eight middle western States that the full effect of this difficulty was felt by the trade as a whole. Since that time the live poultry markets have been badly demoralized and prices have fluctuated decidedly, owing to light receipts at some points and to decreased demand or to comparatively heavy receipts at others. Aside from the effect of this situation on the live poultry markets, fears are expressed that it will have an unfavorable influence on consumption of dressed poultry as well, which in view of the large storage stocks on hand, presents a rather serious outlook.

The turkey market for the Christmas holidays is on a somewhat higher price level than at Thanksgiving. Prices to producers at Texas points rose on the average nearly 5¢ per pound and it appears from the relatively light receipts at dressing points that the larger part of the Texas crop moved for Thanksgiving. The terminal markets are on a slightly higher wholesale basis as the active trading strikes its full swing and dealers apparently have confidence in the market for dressed birds of good quality and anticipate a satisfactory clearance of receipts.

Fresh eggs have continued scarce and prices have held fairly steady. A decline the latter part of November has been largely made up during the first three weeks of December and the price level prevailing is well above that of last year. Apparently the low point in weekly receipts at the four markets was reached the first week in December and from this time on a gradual increase in the lay and in receipts can be expected.

Refrigerator eggs have held steady with the price well above that of last year. This condition exists in spite of the fact that the current out of storage movement and apparent trade output is below that of 1923. It seems likely that January 1 will find the warehouses still fairly liberally stocked with eggs for that season of the year, but owners of the eggs seem to be holding them confidently in the expectation that the quantity will not be so burdensome as to prevent their being worked out at profitable price levels.

POULTRY AND EGG SITUATION.
(Thousands "000" omitted.)

Stocks in Storage, December 1.

United States.

Year.	Shell eggs (Cans)	Frozen eggs (Powder)	Dressed poultry (Pounds)
1924	3,101	22,139	87,975
1923	<u>4,028</u>	<u>36,004</u>	<u>63,274</u>
Inc. or dec.,	-927	-13,865	+24,701
%Inc. or dec.,	-23	-38.5	+39
% 1924 over, 5-yr. average,	+4.4	-19.7	+54.9

Imports and Exports of Poultry and Eggs Jan. 1 to Dec. 1.

	Imports 1924	1923	Exports 1924	1923
Shell eggs doz.)	365	385	26,562	27,255
Dried,frozen,etc. (Lbs.)	10,845	15,715	501	295
Live poultry (Lbs.)	733	796	1,238	509
Dressed poultry (Lbs.)	1,723	1,678	3,898	5,619

Receipts and Apparent Trade Output at Four Markets - Eggs (Cases).

	November			Jan. 1 - Nov. 29		
Year	Receipts	Net storage movement	Apparent trade output	Receipts	Net stor. movement	App.trade output
1924	411	- 840	1,251	14,173	+ 446	13,727
1923	<u>501</u>	<u>-1,050</u>	<u>1,551</u>	<u>15,312</u>	<u>+1,202</u>	<u>14,110</u>
Inc. or dec.	-90	-210	-300	-1,139		-383
% Inc. or dec.	-18	-20	-19.3	-7.4		-2.7

Receipts and Apparent Trade Output at Four Markets - Dressed Poultry (Lbs.)

	November			January 1 - November 29.		
	Receipts	Net storage movement	Apparent trade output	Receipts	Net storage movement	App trade output
1924	60,445	+20,715	39,730	278,664	-5,342	284,006
1923	<u>56,018</u>	<u>+13,517</u>	<u>42,501</u>	<u>261,745</u>	<u>-24,481</u>	<u>286,226</u>
Inc.or dec.	+4,427	+7,198	-2,771	+16,919		-2,220
% Inc.or dec.	+7.9	+53.3	-6.5	+6.5		- .8

THE FOREIGN MARKET SITUATION

The foreign market situation as affecting agricultural products has been unsettled during the past month. The Liverpool wheat price rose sharply in November and after a slight weakening rose again in the second week in December. These price increases, however, were not as rapid relatively as in the increases in Minneapolis and Winnipeg prices during the same period. At the same time there has been a distant decline in purchases for export with some reselling. Actual exports of wheat and flour, which exceeded 50,000,000 bushels in October, declined to about 35,000,000 bushels in November, according to preliminary figures. Some increased activity in export buying has recently been reported from New York, but chiefly for Canadian Wheat. The uncertainty regarding the new Argentine crop has probably had some effect in weakening the European demand for wheat, and it is also possible that on account of the high prices the consumptive demand, particularly on the Continent, has been lower than was at first anticipated.

The demand for American pork products has steadily declined since July. Preliminary figures for four weeks ending November 29 indicate that November exports of lard were about 40,000,000 pounds as compared with 60,000,000 pounds in October and 87,000,000 pounds in July. Exports of hams for November probably did not exceed 10,000,000 pounds as compared with 30,000,000 pounds in July. Bacon exports have also declined, although not so rapidly. Prices of pork products in the United Kingdom and Germany rose rapidly from August to September and remained relatively high during October and the first half of December, but have recently dropped again to the low prices which prevailed in the middle of the summer. This price decline is probably the result of increased receipts of hogs in local markets in both countries.

Cotton exports for November, according to preliminary reports, were more than 1,300,000 running bales, which is the largest quantity exported in any one month in the past 10 years. In the first 2 weeks in December, according to figures from commercial sources, exports have amounted to about 550,000 bales indicating that the heavy export movement still continues. All foreign markets for cotton are taking larger quantities this year than last, but exports to the United Kingdom and Germany show by far the largest increases.

Tobacco exports so far this season have been maintained on approximately the same level as last year. Among the minor American agricultural products entering into the export trade, distinct increases have been apparent in exports of apples, prunes, evaporated milk and oil cake and meal, with decreases in exports of corn, rice, and beef and beef products. (Division of Statistical Research, B. A. E.)

THE LIVESTOCK SITUATION IN 1924

For the average livestock producer, 1924 was a year of promise rather than actual fulfillment. On the whole, conditions in the industry showed improvement over those of a year earlier, but the situation nevertheless afforded ample opportunity for the critic and the pessimist. Practically no kind of livestock showed a definite price trend throughout the year. In fact it was a year of more or less confusion and uncertainty for the stockman. Hopes raised one month were dashed in the next.

As a rule, livestock prices did not keep pace with increased production costs. The relatively short corn crop and resulting high prices, although a slightly stimulating effect on livestock prices, drove hogs to market in unprecedented numbers and materially reduced the number of cattle on feed. After all, high prices mean little to the man who is out of business or has curtailed his operations to a point where he has little to sell.

CATTLE. Probably the cattleman had least cause for rejoicing of any class of livestock producers. Beef steers started the year well and in April sold higher than at any corresponding period since the 1921 break. Toward the end of June, however, prices fell below those of 1923 and, with the exception of only two or three weeks in midsummer, continued so until the first of December. Range cattlemen experienced a rather disastrous season, average prices from July to October being lower than in the panic year of 1921.

Stocker and feeder cattle were also draggy during much of the year and average prices for the first 10 months were only a few cents higher than in 1921. As a result, on December 1 there were on feed in the principal feeding areas only 86 per cent as many cattle as a year earlier. Marketings showed a slight increase over 1923, receipts of cattle and calves for the first 11 months of 1924 being 1 per cent greater than a year ago. Stocker and feeder shipments during the same period decreased more than receipts, and the per cent of slaughter increased, apparently indicating a tendency toward real liquidation. During the last few months of the year there was a rather marked tendency to select heavier weight cattle to feed, the intention of many feeders apparently being to "warm them up" on soft corn and return them to market early.

HOGS. Burdened with excessive numbers, the hog market during the first five months of the year fell considerably below the pre-war average of prices. The pig survey taken in the spring indicated a substantial reduction in breeding and gave promise of a more normal production. In the autumn, market receipts decreased, but continued strength in corn prices sent hogs to market toward the end of the year in overwhelming numbers. Receipts at Chicago on a single day around the middle of December amounted to 122,000 head, constituting by all odds the heaviest run ever received on any single day. For the first 11 months of 1924 the net decrease in hog receipts compared with the corresponding period of 1923 amounted to only 1.4 per cent.

As might be expected, weights declined sharply, the average weight of shipper and packer droves at Chicago for the first week in December being nine pounds less than a year earlier. The hopeful sign in the hog market, however, consisted in the fact that despite liberal receipts, prices during the last five months of the year averaged considerably higher than for any similar period since 1920. Furthermore, stocks of provisions toward the end of the year were comparatively light. In fact the capacity of the market to absorb unprecedentedly large runs of hogs and still maintain prices on a comparatively high level has been the marvel and the salvation of the swine producer for the past two years.

SHEEP. The sheepman was the envy of all stockmen in 1924. With his industry thoroughly liquidated in 1921, a world shortage of both sheep and wool in 1923, a brisk demand for lamb and mutton and a protective tariff of 31 cents per pound on wool, it was not surprising that both lambs and wool closed the year higher than at any corresponding time since 1919. Not only that, but thousands of unborn lambs and millions of pounds of wool which will not be shipped for another four or five months, have been contracted for at prices which the growers considered too favorable to reject. Hence, while the cattle and swine producers look hopefully toward the future, the sheepman already has put his money in bank. (Marketing Livestock, Meats and Wool Division, B. A. E.)